

LEASE NO. 601-L-166

DEED OF LEASE

This DEED OF LEASE, is made this 1st day of July, 1995, by and between The City of Charlottesville and the County of Albemarle (the "Lessor") and the COMMONWEALTH OF VIRGINIA, by the Charlottesville/Albemarle Health Department (the "Lessee") with approval of the Governor pursuant to §2.1-504.2 of the Code of Virginia (1950), as amended.

WITNESSETH

For and in consideration of the terms, conditions, covenants, promises and agreements herein made, Lessor hereby leases and demises unto Lessee the following described real property (the "demised premises"):

A two-story brick building containing 30,396 square feet when the 1996 addition is completed and located at 1138 Rose Hill Avenue in the city of Charlottesville and the surrounding parking lots with approximately 104 spaces and the connecting private roadways and all accessory structures located on the same property.

1. INITIAL TERM OF LEASE:

The demised premises are leased to Lessee for a period of five (5) years, beginning on the 1st day of July, 1995 and terminating on the 30th day of June, 2000 (the "Initial term").

2. RENT:

Lessee covenants to pay Lessor the sum of Fifty-five Thousand Dollars (\$55,000) per year as rent for the initial term for all the demised premises except for a self-contained suite of 1426 square feet on the second floor being constructed in 1996 which is included in the lease at no additional rent (see attachment). This amount of rent being paid for 28,970 square feet shall be paid in installments of thirteen thousand seven hundred fifty dollars (\$13,750) due and payable in arrears at the end of each quarter except that the first year's rent of \$55,000 will be paid in one lump sum on or before the 25th day of June, 1996.

Rent shall be made payable to the Director of Finance of the County of Albemarle and mailed to this office at 401 McIntire Road, Charlottesville, VA 22901 or to such other party and such other place as the Lessor may from time to time designate in writing as provided herein.

3. PURPOSE AND USE OF DEMISED PREMISES:

The demised premises are leased to be used and occupied by the Charlottesville-Albemarle Health Department of the Thomas Jefferson Health District, a department of the Commonwealth of Virginia (the "leasing agency") and its agents and employees for such purposes and uses as it may now or hereafter be empowered by law to use same.

4. ACCESSIBILITY BY THE HANDICAPPED

(A) Prior to commencement of the initial term and delivery of possession, Lessor shall certify to Lessee in writing that the demised premises complies with minimum requirements of the Americans with Disabilities Act of 1990 (the "ADA"). In the event the demised premises is not required to comply with the ADA, Lessor shall certify to Lessee in writing that the demised premises complies with minimum requirements of the Virginia Uniform Statewide Building Code pertaining to access by disabled persons. As hereinafter used, the term "the standards" shall mean and incorporate those standards approved by the United States Department of Justice for meeting the minimum requirements of the Americans With Disabilities Act of 1990 or, if applicable, those standards issued or promulgated by the American National Standards Institute, entitled "American National Standard Specifications for Making Buildings and Facilities Accessible to and Usable by Physically Handicapped People", ANSI-A117.1-1980, and the term "accessible" shall mean

accessible to disabled individuals in accordance with the ADA. The minimum Virginia Uniform Statewide Building Code requirements are:

- (1) If public or private parking is provided, at least one accessible parking space shall be provided as close as possible to an accessible route to the primary building entrance.
- (2) Walks used as accessible routes to the building shall comply with the standards.
- (3) An accessible primary entrance to the building shall be at grade or ramped to grade in accordance with the standards.
- (4) An accessible entrance to the building shall comply with the standards.
- (5) At least one accessible route (corridors and doors) to the demised premises shall comply with the standards.
- (6) If support areas within the building (e.g., lunch rooms, cafeteria, etc.) are used by Lessee, its employees or the public, such areas shall be accessible.
- (7) If Lessee occupies floors others than the main floor of access to the building, at least one accessible elevator shall be provided.
- (8) Accessible public rest rooms for each sex shall be provided, preferably on all floors. As a minimum, accessible rest rooms shall be provided on the ground floor or the floor occupied by Lessee if the building is four stories or less in height. If Lessee occupies an area above the fourth floor, accessible public rest rooms for each sex shall be provided on the floor occupied by Lessee. If Lessee occupies more than one floor, at least one accessible public rest room for each sex shall be provided on at least every fourth floor occupied by Lessee.
- (9) All corridors, doors and spaces in or about the demised premises and used by the public or employees of Lessee shall be accessible.
- (10) Directional signs complying with the standards shall be provided directing the public to the demised premises occupied by Lessee.
- (11) Where the foregoing standards for accessibility by the disabled conflict with or are superseded by state, federal or local laws, ordinances, rules, or regulations setting forth standards for access by the disabled, the more favorable standards for accessibility by the disabled shall govern.

5. DELIVERY OF POSSESSION:

- (A) Lessor covenants to deliver quiet possession of the demised premises at the commencement of the initial term.
- (B) Lessor covenants to deliver the demised premises to Lessee at the commencement of the initial term in good repair and condition, suitable to the purpose and use for which the demised premises are leased. Lessor warrants that all plumbing, heating, air conditioning, electrical and mechanical devices and appliances of every kind or nature located upon or serving the demised premises shall be in good repair, condition and working order as of the commencement of the initial term.
- (C) Lessor covenants that the demised premises and the building of which the demised premises forms a part have been inspected by an Asbestos Inspector licensed by the Virginia Department of Professional and Occupational Regulation and the building is free of friable asbestos that is not managed under a management plan prepared by an Asbestos Management Planner licensed by the Virginia Department of Professional and Occupational Regulation.

- (D) Prior to occupancy by Lessee, Lessor shall complete to the satisfaction of Lessee the interior finish of the demised premises, including installation of any equipment, fixtures and furnishings, in compliance with the Lessor's work letter attached hereto as Exhibit [Not Applicable].

6. MAINTENANCE:

- (A) Lessor covenants to keep, repair and maintain, at Lessor's expense, the demised premises and all plumbing, heating, air conditioning, electrical and mechanical devices, appliances and equipment of every kind or nature affixed to or serving the demised premises in good repair, condition and working order, suitable to the purpose and use for which Lessee has leased same, during the initial term and any renewal terms and, if necessary, shall make such alterations, additions and/or modifications of the demised premises and all equipment, electrical and mechanical devices and appliances thereon or serving same so as to comply at all times with all applicable federal, State and local laws, ordinances, rules and regulations pertaining to health, safety, fire and public welfare. As used herein, the word "repair" shall be deemed to include replacement of broken or cracked glass.
- (B) If Lessor fails to keep, repair and maintain the demised premises and all plumbing, heating, air conditioning, electrical and mechanical devices, appliances and equipment of every kind or nature affixed to or serving the demised premises in good repair, condition and working order as provided in sub-paragraph 6(A), then Lessee, at its option, may either (a) immediately terminate this lease and all obligations hereunder, or (b) proceed to make, or cause to be made, such upkeep, repair and/or maintenance, at Lessor's expense, so as to render the demised premises suitable for the purpose and use for which same are leased, in which event, Lessee may deduct the cost of same from future rent installments as they become due and/or may collect such cost from Lessor in any manner provided by law.
- (C) Lessor covenants to keep and maintain the demised premises and the building of which the demised premises forms a part free of friable asbestos and any other adverse environmental condition which is deemed hazardous to the health or safety of persons entering the building. Lessor covenants to indemnify, defend and hold the Lessee and the Commonwealth of Virginia harmless from and against any claims of injury resulting from the presence of friable asbestos or any other adverse environmental condition which is deemed hazardous to the health or safety of persons entering the building.

7. UTILITIES:

Lessee shall provide, at Lessee's expense, all heating and air conditioning as conditions require, electricity, water, sewage and trash disposal, and Janitorial services and supplies, to and for the demised premises during the initial term and any renewal terms.

8. ALTERATIONS BY LESSEE:

Lessee may make such alterations, modifications, additions and/or improvements upon or to the demised premises and may install or remove such fixtures and partitions as Lessee may deem proper provided, however, that any structural alterations of the roof, foundation or exterior walls shall require the prior written consent of Lessor. All materials used in such alterations, modifications, additions or improvements, and all fixtures and partitions made and/or installed by Lessee shall remain the property of Lessee and, upon termination of this lease, may, at Lessee's option, be removed.

9. DAMAGE OR DESTRUCTION OF DEMISED PREMISES:

- (A) If the demised premises are damaged by fire or other casualty so as to render same, in the opinion of Lessee, untenable for the purpose or use for which Lessee has leased same, this lease, and all obligations hereunder, shall immediately terminate upon Lessee's giving notice of that fact to Lessor by certified or registered mail, return receipt requested, as hereinafter provided.

- (B) If the demised premises are damaged by fire or other casualty, but not so as to render same untenable, in the opinion of Lessee, for the purpose or use for which Lessee has leased the demised premises, upon being so notified by Lessee by certified or registered mail, return receipt requested, Lessor shall repair and restore within a reasonable time, at Lessor's expense, the demised premises to its former condition. In this event, the rent shall be adjusted on a pro rata basis for the period of such repair and restoration for that portion of the premises rendered untenable for Lessee by the fire or other casualty. As used herein, the words "repair" and "restore" shall be deemed to mean and include replacement of broken, cracked or damaged glass or windows.
- (C) If Lessor fails to make or fails to complete repair and restoration of the demised premises within a reasonable time after Lessee provides notice pursuant to sub-paragraph 9(B), then Lessee, at its option, may either (a) immediately terminate this lease and all obligations hereunder, or (b) proceed to make, or cause to be made, such repair and restoration, at Lessor's expense, in which event, Lessee may deduct the cost of same from future rent installments as they become due and/or may collect such cost from Lessor in any manner provided by Law.

10. RENEWAL OF LEASE:

Unless otherwise terminated as herein provided, at the end of the initial term this lease shall automatically renew and continue in full force and effect from year to year ("renewal term") at the same rental, adjusted pro rata on an annual basis and due and payable in the same periodic installments as provided in paragraph 2, and subject to all terms, conditions, covenants, promises and agreements, herein contained. Such year-to-year or renewal term shall continue to renew automatically unless terminated by either party in such manner and at such time as hereinafter provided for termination of the initial term.

11. TERMINATION:

- (A) This lease and any renewal term of this lease may be terminated by either party only upon written notice to the other party by certified or registered mail, return receipt requested, at least three (3) months prior to the expiration of the initial term or any renewal term; otherwise this lease shall renew and continue as provided in paragraph 10. In addition, during any renewal term, Lessee, at its option may terminate this lease at any time upon at least three (3) months written notice to Lessor by certified or registered mail, return receipt requested.
- (B) Agencies of the Commonwealth of Virginia cannot expend funds unless appropriated by the Virginia General Assembly and may not obligate a future session of the Virginia General Assembly. Therefore, notwithstanding any provision in this lease to the contrary, if any session of the Virginia General Assembly fails to appropriate funds for the continuance of this lease or the federal government fails to appropriate or allocate sufficient funds for the purpose of continuation of this lease, the lease and all obligations hereunder shall automatically terminate upon depletion of the then currently appropriated or allocated funds.
- (C) Notwithstanding any provision in this lease to the contrary, if, by operation of law the leasing agency designated in paragraph 3 shall cease to exist or its powers and authority are limited so as not to permit the continued use of the demised premises for the purpose and use for which same is leased, then this lease and all obligations of Lessee hereunder shall terminate.

12. NOTICE:

- (A) Any and all notices affecting this lease may be served by the parties hereto, or by their duly authorized agents, as effectively as if same were served by any officer authorized by law to serve such notices. The return of such party, or its duly authorized agent, showing the time, place and manner of service of such notice shall have the same force and effect in any legal proceedings based thereon as a return of service by any officer authorized by law to serve such notice.

(B) All notices required by law to be served upon and all notices permitted by this lease to be mailed to a party to this lease shall be served upon or mailed to, as the case may be, the following agents for each party who are hereby appointed and designated as such for the purpose of receiving all such notices:

- | | | | |
|--|--|-----|--|
| (1) Lessor's agent shall be:
whose address is | City Manager
P.O. Box 911
Charlottesville, VA 22902 | and | County Executive
401 McIntire Road
Charlottesville, VA 22901 |
| (2) Lessee's agent shall be:
whose address is | District Health Director
P.O. Box 7546
Charlottesville, VA 22906 | | |

Each party shall immediately notify the other party, in writing, of any change of agents, and no change of agents shall be effective until such notice is given.

(C) Where under the terms of this lease a notice is required or permitted to be mailed by certified or registered mail, return receipt requested, and such notice is not mailed in such manner, the notice shall be effective if actually received by the party, or its appointed agent, to whom the notice is directed.

13. BINDING UPON SUCCESSORS:

- (A) This lease shall be binding upon the parties hereto and their successors in interests, including but not limited to heirs, assigns, purchasers at lien, deeds of trust, or mortgage foreclosure.
- (B) In the event of foreclosure of the Deed of Trust prior to the expiration of this Lease according to its terms, including any extensions and renewals thereof, Lender or any other successor in interest of the Landlord shall take title to the demised premises subject to the terms, covenants, agreements and conditions of this Lease, and Tenant's quiet and peaceful possession and enjoyment of the demised premises shall not be disturbed.

14. ENTIRE AGREEMENT:

This written Deed of Lease constitutes the entire, full and complete understanding and agreement of the parties, and all representations, conditions, statements, warranties, covenants, promises or agreements previously made or given by either party to the other are hereby expressly merged into this written Deed of Lease and shall be null, void and without legal effect.

15. MODIFICATION:

This Deed of Lease shall not be modified, altered or amended except by written agreement executed by the parties hereto with the same formality as this agreement.

16. PARAGRAPH HEADINGS:

Headings to the paragraphs are mere catchwords and are illustrative only; they do not form a part of this lease nor are they intended to be used in construing same.

17. ADDITIONAL PROVISIONS:

This lease is subject to the terms, conditions, modifications, additions and/or deletions provided in the following designated attachments which are incorporated herein by reference:

Attachment No. 1

18. EXECUTION:

This Deed of Lease shall not be effective or binding unless and until signed by both parties and, where required by law, approved by the Governor of Virginia pursuant to §2.1-504.2 of the Code of Virginia (1950), as amended.

In WITNESS WHEREOF, the parties have affixed their signatures and seals.

LESSOR: CITY OF CHARLOTTESVILLE By: Linda Desautel, Budget Administrator

[Signature, Title]

LESSOR: COUNTY OF ALBEMARLE

By:

Robert W. Tucker, Jr.
[Signature, Title]
County Executive

Approved as to form:

by [Signature]
City Attorney

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF ALBEMARLE to-wit:

The foregoing Deed of Lease was acknowledged before me

by Robert W. Tucker, Jr. on the 29th day of May

19 96, in the jurisdiction aforesaid.

My commission expires: September 30, 1997

Ella Washington Carey Notary Public

Approved as to form:

[Signature]
County Attorney

LESSEE: COMMONWEALTH OF VIRGINIA

Dept of Health
(Department, Institution, Agency or Board)

By: Frances Finel
(Signature) (Title)
Director of P&GS

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Richmond to-wit:

The foregoing Deed of Lease was acknowledged before me

by Frances Finel on the 7th day of August

19 96, in the jurisdiction aforesaid.

My commission expires: 9-30-99

G. Morris P. [Signature] Notary Public

Approved as to form:

[Signature]

RECOMMEND APPROVAL:
DIVISION OF ENGINEERING AND
BUILDINGS

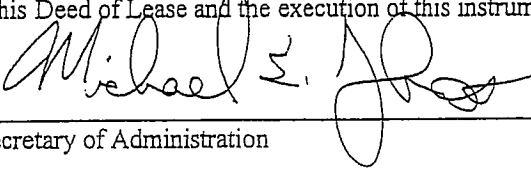
By: 
Director

RECOMMEND APPROVAL:
DEPARTMENT OF GENERAL SERVICES

By: 
Director

APPROVED BY THE GOVERNOR

Pursuant to §2.1-504.2 of the Code of Virginia (1950), as amended, and by the authority delegated to me under Executive Order 31 (94), dated October 25, 1994, I hereby approve the acquisition of the demised premises pursuant to this Deed of Lease and the execution of this instrument for and on behalf of the Governor of Virginia.

 11/9/95
Secretary of Administration (Date)

ATTACHMENT NO. 1 TO DEED OF LEASE

This is an attachment to the Deed of Lease made the 1st day of July of 1995 by and between the City of Charlottesville and the County of Albemarle as the "lessor" and the Commonwealth of Virginia, by the Charlottesville-Albemarle Health Department of the Thomas Jefferson Health District as the "lessee".

In addition to the terms as stated in the body of the lease, it is further agreed by all parties that the Charlottesville Free Clinic will receive a license from the lessee for sole occupancy of the self-contained suite of 1426 square feet located on the second floor and being constructed in 1996 which the lessor is including at no charge to the lessee, from completion of construction and occupancy until the end of the initial term of the lease provided that the Charlottesville Free Clinic remains as a functioning entity delivering free or low-cost health care to area citizens. This license will assure unlimited rent-free use of that suite provided that any activities which interfere with or disrupt the normal operations of the health department are prohibited and payment for prorated shared utilities are made as agreed. An option for renewal of the license for occupancy of the same suite may be exercised at the end of the initial term of the lease provided that the lease is renewed and upon satisfactory agreement being reached between the Charlottesville Free Clinic and the Health Department. The provisions of this attachment to the standard lease are made in recognition that the additional construction costs for this suite of offices are being paid by funds raised by the Charlottesville Free Clinic and not by either of the building's owners.

LESSOR: CITY OF CHARLOTTESVILLE

By: Lia Record, Budget Administrator
[Signature, Title]

LESSOR: COUNTY OF ALBEMARLE

By: Robert W. Hunter, Jr.
[Signature, Title]
County Executive

LESSEE: COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HEALTH

By: Francis Aul
[Signature, Title]
Director PECS